



224 Strawbridge Drive, Suite 200
Moorestown, NJ 08057

BROKER CONDITIONAL APPROVAL FORM

COMPANY INFORMATION

Company Name:

Contact Name:

Account Executive:

Contact Phone:

NMLS ID #:

Contact Email:

ARC HOME SET-UP INFORMATION

SPARC Credentials:

Please use the table below to identify any individuals who require access to Arc Home's SPARC Broker Portal.

****Important Note:** All SPARC users must provide a cell phone number; it is used for multi-factor authentication only.

SPARC User	SPARC User Information		
SPARC Admin (required)	SPARC User Role(s): <input type="checkbox"/> Admin <input type="checkbox"/> Loan Officer <input type="checkbox"/> Processor <input type="checkbox"/>		
	Name	Email Address	NMLS (if applicable)
	Office Phone Number	Cell Phone Number*	
	Additional User	SPARC User Role(s): <input type="checkbox"/> Admin <input type="checkbox"/> Loan Officer <input type="checkbox"/> Processor <input type="checkbox"/>	
Name		Email Address	NMLS (if applicable)
Office Phone Number		Cell Phone Number*	

Does your company currently have any affiliate relationships with other entities?

Yes

No

If selected "Yes" above, please provide list of affiliate relationships concurrently with form submission to counterpartysubmissions@archome.com.

**** Affiliated Companies include any separate business entity that is fully or partially owned by either the Applicant or the Applicant's Principal(s), Director(s), or Officer(s).**



CONDITIONAL APPROVAL BROKER AGREEMENT

This Conditional Approval Broker Agreement (“Agreement”) is entered by and between **Arc Home LLC** (“ARC HOME”), a limited liability company organized and existing under the laws of the State of Maryland, on behalf of itself and its successors, assigns subsidiaries, and

_____, (“Broker”) (individually a “Party” and collectively the “Parties”), on behalf of itself and its successors, assigns, subsidiaries and Affiliates, having its principal place of business located at _____, being organized and existing under the laws of _____ as a [check one]:

☐ Corporation ☐ Limited Liability Company ☐ Partnership ☐ Sole Proprietor

RECITALS

WHEREAS, Broker is in the business of soliciting, taking, and accepting mortgage loan applications from a prospective applicant or Borrower, pre-qualifying the Borrower, and submitting application and credit packages to lenders for the underwriting and funding of such mortgage loans; and

WHEREAS, Broker and ARC HOME desire to establish a non-exclusive relationship whereby Broker will, from time to time, act as a third-party originator by submitting such application and credit packages to ARC HOME which conform to the requirements of the ARC HOME Wholesale Program, as may be amended from time to time; and

WHEREAS, while Broker submits information and documentation required by ARC HOME to evaluate Broker for approval with ARC HOME, to submit Packages prior to ARC HOME issuing Broker counterparty approval, ARC HOME is conditionally approving Broker and ARC HOME and Broker agree to be bound by this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, and other consideration, the receipt and sufficiency of which are acknowledged herein, the Parties agree to the terms and conditions set forth in this Agreement.

TERMS OF CONDITIONAL APPROVAL

Broker is authorized to submit Packages to ARC HOME for underwriting and disclosure pursuant to the terms of ARC HOME’s full Broker Agreement sent to Broker immediately preceding or following Broker’s execution of this Agreement. All definitions and terms from ARC HOME’s full Broker Agreement are incorporated herein by reference notwithstanding any Package submitted by Broker prior to Broker’s acceptance of the full Broker Agreement.

Broker shall assemble and submit to ARC HOME per the Submission Requirements (set forth in Section 3.1 of the full ARC HOME Broker Agreement as otherwise modified per the ARC HOME Guidelines) as established by ARC HOME from time to time such completed application and underwriting packages including but not limited to the submission of applications for home equity lines of credit through ARC HOME’s portal (collectively the “Packages”) for Agency or Non-Agency eligible quality mortgage loans, commercial mortgage loans, or home equity lines of credit offered by Arc Home.

Broker understands and agrees that Broker shall, at the time of submission and at all times following the execution of this Agreement, comply with the ARC HOME Guidelines. In the event of a conflict between this Agreement and the ARC HOME Guidelines, the ARC HOME Guidelines shall control.



ARC HOME may choose, in ARC HOME's sole and absolute discretion, not to send closing documents and/or fund any Loan if Broker is not fully approved by ARC HOME's counterparty risk department. Broker agrees to submit all documents and information requested by ARC HOME to complete ARC HOME's evaluation of Broker. Broker acknowledges and agrees that ARC HOME, in its sole and absolute discretion, may approve or reject Broker as a counterparty of ARC HOME.

ARC HOME shall not be under any obligation to approve any Package or any minimum number of Packages (or originate any Loan related thereto) at all. ARC HOME shall have the right, but not the obligation, to underwrite any Package. If Broker fails to submit a complete Package, including all documentation requested or desired by ARC HOME, ARC HOME has the option, in ARC HOME's sole discretion, to (i) approve the Package based on the documentation provided, (ii) approve the Package subject to submission of additional documentation required prior to closing, (iii) request further information or documentation from Broker, or (iv) reject the Package.

Broker shall be solely responsible for all costs and expenses associated with the assembly, submission, and delivery of each Package to ARC HOME, including any other documents required by ARC HOME for each Package.

Any compensation paid to Broker for providing Broker Services shall be paid pursuant to the Broker Compensation Selection Form executed by Broker and in compliance with ARC HOME Guidelines and Applicable Law. For the avoidance of doubt, ARC HOME shall not pay any compensation to Broker that would violate Applicable Law including but not limited to state or federal restrictions on compensation notwithstanding the Broker Compensation Selection Form.

ARC HOME disclaims all liability and Broker hereby waives any claims for losses, whether known or unknown, against ARC HOME that Broker may sustain in connection or related to Broker's failure to be approved by ARC HOME.

EFFECTIVE DATE. The Effective Date shall be the date executed by ARC HOME.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed under seal by their duly authorized representatives effective as of the date written below.

ARC HOME LLC

SIGNATURE _____

PRINT NAME _____

TITLE _____

DATE _____

BROKER

BROKER COMPENSATION SELECTION FORM

In compliance with Regulation Z, 12 CFR Part 226.36 the Federal Reserve Board under Consumer Financial Protection Bureau issued a final rule as part of the Truth in Lending Act. Arc Home designed a compensation plan to protect consumers and preserve responsible lending.

For Loans subject to Regulations Z, you will be compensated by either the borrower(s) or Arc Home, but not both. For every Loan transaction (as defined in the Broker Agreement), you will choose a source of broker compensation as follows:

1) Borrower Paid Compensation (BPC)

BPC is compensation paid by the borrower to the Broker from the borrower's own funds or loan proceeds. BPC is negotiated directly with the borrower and may vary on each individual loan transaction. By choosing to be paid directly from the borrower, the broker may not receive any compensation directly or indirectly from any other party or entity, inside or outside of the transaction, including the lender (Arc Home) unless such Loan is subject to Section B below. The Broker acknowledges and agrees that Broker shall not accept any BPC in excess of the LPC selection in the related channel herein. Broker understands and agrees that for Home Equity Lines of Credit, Broker can only choose LPC as the sole source of broker compensation.

2) Lender Paid Compensation (LPC)

LPC is compensation paid by the lender (Arc Home) to the Broker. The Broker must select a LPC plan below. Arc Home will permit Broker quarterly changes (i.e. 90 calendar days following the previous change) to their LPC selection. All requested changes shall become effective seven (7) calendar days following the date of such request. LPC changes will take effect for all loans locked (pursuant to the Arc Home Guidelines) after the change effective date. By choosing LPC, the Broker may not receive any compensation from the borrower or any other party or entity, inside or outside of the transaction unless such Loan is subject to Section B below.

Arc Home is only responsible for LPC compensation to the Broker if the Loan closes and funds accordingly. Arc Home reserves the right to modify compensation plans according to market factors or changes to state or federal law. Brokers may not tie their loan originator compensation to any of the terms of the transaction or interest rate to the borrower.

The Broker may not steer a Loan that is not in the borrower's best interest. The Broker must have a fully executed Broker Agreement along with an executed Broker Compensation Selection Form describing the compensation plan on the Loan and obtain an Anti-Steering Disclosure which shows the following options:

The Loan with the lowest interest rate

The Loan with the lowest points and fees

The Loan with lowest interest rate without risky features like negative amortization, prepayment penalty, balloon payment, etc.

Broker may not increase the compensation received once the Loan application is registered with Arc Home.

The following Lender Paid Compensation will be paid to the Broker by Arc Home for each Loan that closes and funds in the applicable channel (please fill in every space or mark N/A if no Loans will be submitted through a particular channel):

A) Consumer Purpose Loans

- i. The LPC will be set at ____% (.50 through 2.75% in increments of .125)
 - i. The maximum LPC percentage shall be 2.75%
- ii. The minimum LPC will be \$ _____
- iii. The maximum LPC will be \$ _____

B) Business Purpose Loans

For Business Purpose Loans that are not subject to Regulation Z, you may elect to be compensated by (i) the borrower(s), (ii) Arc Home, or (iii) a combination of both the borrower(s) and Arc Home. The LPC portion of any such election will be paid to the Broker by Arc Home pursuant to the following:

- i. The LPC will be set at _____% (.50 through 5% in increments of .125)
 - i. The maximum LPC percentage shall be 5%
- ii. The minimum LPC will be \$ _____
- iii. The maximum LPC will be \$ _____

Total compensation on any Business Purpose Loan not subject to Regulation Z shall not exceed 5%. Compensation may be paid by (i) the borrower(s), (ii) Arc Home, or (iii) a combination of both the borrower(s) and Arc Home (which shall not exceed a total of 5%).

C) Home Equity Lines of Credit

- i. The LPC will be set at 2% (calculated based on the total line size of the Home Equity Line of Credit)
 - i. Notwithstanding the above LPC, the above LPC percentage shall be reduced to the extent necessary or advisable, in Arc Home's sole discretion, to comply with applicable state or federal laws including but not limited to laws relating to high cost and usury limitations.
- ii. Arc Home will pay Broker the following LPC (calculated based on the total line size of the Home Equity Line of Credit) for each corresponding state:
 - 1. Hawaii. LPC will be set at 1%
 - 2. Missouri. LPC will be set at 0%
 - 3. Tennessee. LPC will be set at 0%
 - 4. Vermont. LPC will be set at 0%

IN WITNESS WHEREOF, the parties have caused this Broker Compensation Selection Form to be executed under seal by their duly authorized representatives effective as of the date written below.

BROKER: _____

SIGNATURE _____

PRINT NAME _____

TITLE _____

DATE _____

ARC HOME LLC

SIGNATURE _____

PRINT NAME _____

TITLE _____

DATE _____